



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

1595 Wynkoop Street
DENVER, CO 80202-1129
Phone 800-227-8917
<http://www.epa.gov/region08>

SEP 12 2011

Ref: 8EPR-N

Teresa Johnson
Project Manager
Bureau of Land Management
Wyoming High Plains District Office
2987 Prospector Drive
Casper, WY 82604

Re: Final EIS for Buckskin Mine Hay Creek II Coal Lease
Application [CEQ# 20110237]

Dear Ms. Johnson:

The U.S. Environmental Protection Agency (EPA) Region 8 has reviewed the Bureau of Land Management's (BLM) Final Environmental Impact Statement (EIS) for the Buckskin Mine Hay Creek II Coal Lease Application to assess the environmental consequences of leasing a maintenance tract of Federal coal. The Buckskin Mine is located approximately 12 miles north of the City of Gillette in the Powder River Basin (PRB) of Wyoming. Our review and comments provided are pursuant to our responsibilities under Section 102(2)(C) of the National Environmental Policy Act (NEPA), 42 U.S.C. Section 4332(2)(C), and Section 309 of the Clean Air Act, 42 U.S.C. Section 7609.

Proposed Action and Alternatives

The Proposed Action and two alternatives were analyzed in the Final EIS. No new life-of-mine facilities would be built under any of the alternatives; federal coal reserves would be mined as an extension of the existing mine. Alternatives for the project include the following:

Proposed Action: Under the Proposed Action the BLM would hold a competitive, sealed-bid sale and issue a lease for the federal coal reserves included in a proposed tract that is a contiguous block of federal coal reserves adjacent to the existing Buckskin Mine permit area. The tract includes approximately 419 acres and 77.2 million tons of in-place coal reserves.

Alternative 1: Under this alternative, the No Action Alternative, the coal lease application would be rejected and no new federal coal reserves would be offered for sale. The existing leases at the Buckskin Mine would be developed according to the current approved mining plan.

Alternative 2 (BLM Preferred Alternative): Under this alternative, the BLM is considering a tract configuration that is larger than the Proposed Action, but smaller than the BLM study area. The BLM will define the final tract delineation in the Record of Decision (ROD). It is estimated that the entire

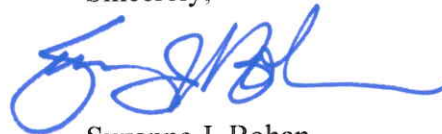
BLM study area contains approximately 269.7 million tons of in-place coal reserves.

EPA appreciates that BLM clearly addressed the general technical comments and the specific technical air quality comments included in our comment letter on the Draft EIS for the Buckskin Mine Hay Creek II Coal Lease Application dated May 21, 2010. Specifically, we are pleased about the discussions added to the Final EIS in regard to the 1-hour nitrogen dioxide (NO₂) standard presented in Table 3.4-1, and the discussion of the Exceptional Event Rule added to the Final EIS section 3.4.2.1. Additionally, we appreciate the clarification of the purpose and need for the project.

EPA remains concerned regarding the cumulative impact analysis results indicating degradation of air quality conditions from PRB sources in the region and the lack of clarity from the 2008 PRB Coal Review in regard to sources contributing to these regional impacts. BLM's response to our comments on the cumulative impacts of fine particulate matter (PM₁₀) did not address our concerns in regard to nearby PRB exceedances. We acknowledge that these exceedances are not in proximity to the Buckskin Mine facility. However, EPA believes that the adverse cumulative PM₁₀ visibility impacts need to be addressed. In that regard, we look forward to continued engagement in the PRB Coal Review Air Quality Protocol Group and examining the new modeling effort for the analysis of ozone as well as traditional air quality issues facing the PRB region.

Thank you for consideration of our comments on the Buckskin Mine Hay Creek II Coal Lease Application project. If you have any questions about them, feel free to either contact me at (303) 312-6925 or David Fronczak of my staff at (303) 312-6096.

Sincerely,



Suzanne J. Bohan
Director, NEPA Compliance and Review Program
Office of Ecosystems Protection and Remediation